General Assembly

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Agenda item 89 (*a*)

Resolution adopted by the General Assembly

[*on the report of the Second Committee (A/59/487/Add.1)*]

59/246. Role of microcredit and microfinance in the eradication of poverty

The General Assembly,

Recalling its resolutions 52/193 and 52/194 of 18 December 1997, 53/197 of 15 December 1998 and 58/221 of 23 December 2003,

Recognizing that microcredit and microfinance programmes have succeeded in generating productive self-employment and proved to be an effective tool in assisting people to overcome poverty and reducing their vulnerability to crisis, and have led to their growing participation, in particular the participation of women, in the mainstream economic and political processes of society,

Welcoming the efforts made in the field of property rights, and noting that an enabling environment at all levels, including transparent regulatory systems and competitive markets, foster the mobilization of resources and access to finance for people living in poverty,

Bearing in mind the importance of microfinance instruments, such as credit, savings and other financial products and services, in providing access to capital for people living in poverty,

Recognizing the need to create inclusive financial sectors in order to facilitate access for people living in poverty, especially women, to microcredit and microfinance so as to enable them to undertake microenterprises to generate employment and contribute to achieving self-empowerment, and to enhance their ability to increase income, build assets and mitigate vulnerability in times of hardship,

Noting that the availability of microcredit and microfinance to people living in poverty, especially women, can support entrepreneurship and spur the development of microenterprises, providing goods, services and income to the poor, thus raising incomes and fostering equitable growth,

Recalling its resolution 53/197, by which it proclaimed 2005 the International Year of Microcredit and requested that the observance of the Year be a special occasion for giving impetus to microcredit and microfinance programmes in all countries, particularly the developing countries,

Encouraging the holding and supporting of regional, subregional and national events on the observance of the International Year of Microcredit, 2005,

Noting the ongoing efforts by the Department of Economic and Social Affairs of the Secretariat and the United Nations Capital Development Fund in jointly coordinating the activities of the United Nations system regarding the preparation and observance of the Year, and noting also the ongoing efforts of public and private development agencies, including the Consultative Group to Assist the Poor, on microcredit and microfinance,

Noting also that the international community is observing the period 1997–2006 as the first United Nations Decade for the Eradication of Poverty,

1. *Takes note* of the report of the Secretary-General on the implementation of the first United Nations Decade for the Eradication of Poverty (1997–2006) and preparations for the International Year of Microcredit, 2005;[1]

2. *Welcomes* the launching of the International Year of Microcredit, 2005;

3. *Emphasizes* that the observance of 2005 as the International Year of Microcredit will provide a significant opportunity to raise awareness of the importance of microcredit and microfinance in the eradication of poverty, to share good practices and to further enhance financial sectors that support sustainable pro-poor financial services in all countries;

4. *Recognizes* the importance of scaling up microcredit and other microfinance instruments, using the Year as a platform to find ways of enhancing development impact and sustainability through the increased dissemination of data and sharing of best practices and lessons learned among microcredit and microfinance institutions, and welcomes the ongoing efforts of United Nations regional organizations, funds, programmes and specialized agencies responsible for operational activities related to development in promoting microcredit and microfinance institutions, inter alia, supporting the development of entrepreneurship;

5. *Reiterates its invitation* to Member States, relevant organizations of the United Nations system, non-governmental organizations, the private sector and civil society to collaborate, including through making voluntary contributions, in observing the Year, to raise public awareness and knowledge about microcredit and microfinance;

6. *Recognizes* that access to microcredit and microfinance can contribute to the achievement of the goals and targets of major United Nations conferences and summits in the economic and social fields, including those contained in the United Nations Millennium Declaration,[2] in particular the goals relating to poverty eradication, gender equality and the empowerment of women;

7. *Invites* Member States to consider undertaking policies to facilitate the expansion of microcredit and microfinance institutions in order to service the large unmet demand among poor people for financial services, including the identification and development of mechanisms to promote sustainable access to financial services, the removal of institutional and regulatory obstacles and the provision of incentives to microfinance institutions that meet national standards for delivering such financial services to the poor;

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[1] A/59/326 and Add.1.

[2] See resolution 55/2.

8. *Also invites* Member States to consider developing and promoting regulatory guidance and standards to ensure effectiveness in management, financial reporting, internal auditing, domestic supervision and accountability among microfinance institutions;

9. *Decides* to devote one plenary meeting at its sixty-first session to the consideration of the outcome of and follow-up to the International Year of Microcredit, with a view to broadening and deepening the discussion about microcredit and microfinance;

10. *Requests* the Secretary-General to prepare a report on the observance of the International Year of Microcredit, 2005, and on the implementation of the present resolution, and to submit it to the General Assembly at its sixty-first session under the item entitled "Implementation of the first United Nations Decade for the Eradication of Poverty (1997–2006)".

75th plenary meeting
22 December 2004